



**Directorate of
Intelligence**

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Guatemala: Prospects for Democratic Rule

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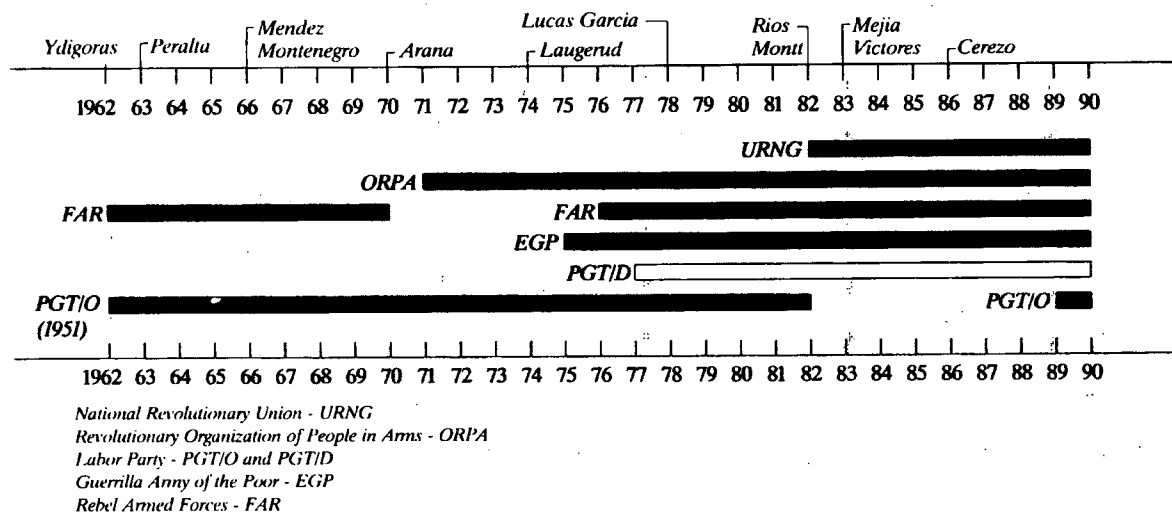
An Intelligence Assessment

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September 1990

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~~Secret~~**Status of the Insurgency**

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Guatemala's insurgency, which dates to the early 1960s, grew dramatically from 1979 through 1982 as a result of a corrupt national government, indiscriminate military brutality, increased Cuban support to regional revolutionaries, and the Sandinistas' rise to power in Nicaragua. The number of full-time insurgent combatants rose from fewer than 1,000 to some 3,000 by 1981. The three principal guerrilla groups controlled substantial tracts of territory in key northern and western departments.

The Guatemalan armed forces responded with a combination of military operations and civic action programs designed to weaken the guerrillas' popular base of support. By mid-1982, the Army's use of small military units, formation of large civilian militias—an estimated 900,000-man force—and economic development projects had put the insurgents in

a defensive posture. The implementation of this strategy, complemented by an amnesty, effectively reduced insurgent forces to about 1,500 by mid-1985 and severely undercut their popular support. Their current strength is about 1,100.

Despite political and military setbacks, the insurgency continues to demonstrate its resiliency amid signs that the war may be intensifying.

Insurgent groups are stepping up attacks on the country's power and transportation systems—temporarily disrupting electrical service and critical harvest operations—conducting harassment operations along major highways, sabotaging oil facilities, and assassinating military commissioners and collaborators. Guerrilla columns of up to 100 combatants are raiding large farms and laying siege to military outposts with

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rocket-propelled grenades, M-60 machineguns, and 60-mm mortars. Guerrilla groups are also redeploying forces near Guatemala City and reestablishing urban networks decimated by security forces in the mid-1980s. [REDACTED]

The ability of rebel groups to raise the level of violence may reflect enhanced operational coordination and support from drug traffickers and foreign countries. [REDACTED] for example, ORPA units in Chimaltenango are spearheading military efforts while the Guatemalan Labor Party and the Guerrilla Army of the Poor focus on political indoctrination of peasants and liaison with labor and student organizations. [REDACTED]

[REDACTED] the rebels continue to recruit peasants for logistic, intelligence, and communications functions. Some military officers believe insurgent ties to drug traffickers account for the rebels' sophisticated weapons and equipment. In addition, reporting from various sources suggests that the insurgents have benefited from Cuban, Soviet, and Nicaraguan support in the form of training, financial aid, and military supplies. [REDACTED]

The Army is stepping up counterinsurgency efforts, but problems remain. [REDACTED]

[REDACTED] after almost a year of reacting to rebel initiatives, the Army is engaging in aggressive patrolling. Special undercover units of 10 to 15 men have also been formed to penetrate guerrilla ranks, and military intelligence is reactivating its informant network in Guatemala City. Even so, we believe the Army, hampered by severe resource constraints and logistical problems, is unlikely to show significant progress over the short term. [REDACTED]

We believe the traffickers' reach extends into the judicial system, the military, and the economy. [REDACTED] (b)(1)

[REDACTED] the prosecuting attorney and judge presiding over the case involving Moran's associates have received frequent death threats, and witnesses have refused to testify for fear of reprisal. [REDACTED] Moran has threatened to assassinate a DEA agent. [REDACTED] (b)(1)

[REDACTED] some Guatemalan military troops protect opium poppy cultivation areas along the Guatemala-Mexico border and are involved in drug trafficking. Central Bank officials reportedly believe that the country's banking system—which is well protected from legal scrutiny—is increasingly being used to launder drug revenues and that traffickers may be behind Guatemala's real estate boom. [REDACTED] (b)(3)

Social and Economic Problems

We believe the failure of the civilian leadership to translate recent economic growth into better living standards for the majority of Guatemalans has been another major factor in sapping popular support for democratic rule. Despite recent economic expansion and a potential growth rate of 4 percent this year, [REDACTED] (b)(1)

[REDACTED] 72 percent of the nation's families live in extreme poverty, outside or on the edge of the money economy. An estimated 20 percent of the population controls two-thirds of the nation's income, and 2 percent holds some 63 percent of all land. Moreover, the purchasing power of Guatemalan professionals and the middle class has eroded significantly over the last year. Various sources report that the lack of progress in raising living standards has reinforced the widely held perception, especially among the poor, that the democratic process favors the few over the many. Population pressures—50 percent of Guatemala's population is under the age of 15—exacerbate Guatemala's uneven distribution of wealth (see table on Socioeconomic Indicators). [REDACTED] (b)(3)

Guatemala's primitive health, education, and welfare programs compare unfavorably to those of other Central American countries. International Monetary Fund and World Bank statistics show, for example, that Guatemala has one of the lowest literacy rates in [REDACTED] (b)(3)

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